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NATIONAL BISCUIT COMPANY
"Uneeda Bakers"

ANNUAL REPORT
DECEMBER 31, 1934

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To the Stockholders of
NATIONAL BISCUIT COMPANY



The following Statements

show the

CONSOLIDATED BALANCE SHEET

and

INCOME AND EARNED SURPLUS

of the Company at the close of business

December 31, 1934.

CONSOLIDATED

ASSETS

Cash	\$10,675,715.56
U. S. Bonds (At Market Quotations)	1,036,402.34
Municipal Bonds (N. Y. City) (At Market Quotations) Note: \$396,500.00 Principal Amount U. S. and N. Y. C. Bonds Deposited for special reasons.	11,920,608.75
Stocks and Securities (At Market Quotations)	89,801.06
Accounts Receivable	2,383,597.24
Raw Materials, Supplies and Finished Product (At Cost or Market, whichever is lower, less Special Inventory Reserve of \$1,017,200.68, charged to prior earnings.)	9,750,272.54
Total Current Assets	\$35,856,397.49
Notes and Mortgages Receivable	168,147.06
Notes and Accounts of Officers and Employees (For Capital Stock Subscriptions)	290,766.75
Company's Capital Stock Purchased for Resale to Employees (At Market Quotations)	361,672.07
Plants, Real Estate, Machinery, Intangibles, etc. (At Cost in Cash or Capital Stock, Less Allowances for Depreciation.)	89,187,601.57
Prepaid Insurance and Deferred Charges	950,612.58
Total	<u>\$126,815,197.52</u>

BALANCE SHEET

LIABILITIES

Accounts Payable (Purchase Invoices, Pay Rolls, and other Accruals not due for payment.)	\$1,791,919.88
Common Dividend Payable January 15, 1935	3,138,576.75
Reserve for Federal and Foreign Income Taxes	2,080,647.12
Total Current Liabilities	\$7,011,143.75
Insurance and Contingent Reserves	8,406,266.86
Capital Stock, Preferred (Par Value \$100.00—7% Cumulative) Shares authorized 250,000, issued 248,045	24,804,500.00
Capital Stock, Common (Par Value \$10.00) Shares authorized 12,000,000, issued 6,289,448	62,894,480.00
Earned Surplus	14,042,793.37
Capital Surplus	9,656,013.54
Total	<u>\$126,815,197.52</u>

CONSOLIDATED INCOME AND EARNED SURPLUS

Earnings for the year 1934:

From Operations \$15,669,696.63

From Interest, etc. 651,285.62

Total \$16,320,982.25

Less:

Depreciation \$2,793,451.51

Provision for Federal and
Foreign Income Taxes 1,929,957.82 4,723,409.33

Net Earnings for the year \$11,597,572.92

Earned Surplus December 31, 1933 20,381,456.24

Revaluation of Securities 2,003,105.96

\$33,982,135.12

Less:

Preferred Dividends Paid \$1,735,699.00

Common Dividends Paid 15,065,066.00

Common Dividend Payable
January 15, 1935 3,138,576.75 19,939,341.75

Earned Surplus December 31, 1934 \$14,042,793.37

CERTIFICATE OF AUDITORS

The President and Board of Directors,
National Biscuit Company,
New York, N. Y.

We have made an examination of the consolidated balance sheet of the National Biscuit Company and its subsidiary companies as at December 31, 1934, and of the statement of consolidated income and surplus for the year 1934. In connection therewith, we examined or tested accounting records of the parent company and of its subsidiaries and other supporting evidence and obtained information and explanations from officers and employees of the companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

In our opinion, based on such examination, the accompanying consolidated balance sheet and related statement of income and surplus fairly present, in accordance with accepted principles of accounting consistently maintained by the companies during the year under review, their consolidated position at December 31, 1934, and the results of their operations for the year.

LYBRAND, ROSS BROS. & MONTGOMERY

February 6th, 1935.

The foregoing balance sheet shows the financial condition of our Company at the close of its thirty-seventh fiscal year.

The new building on Tenth Avenue, in New York City, mentioned in the last report as being under construction, has been completed, is now in operation and meeting all expectations in the simplification of our in and out handling problems. The completion of the bridge connecting our Eleventh Avenue Bakery with all of our other New York City plants has contributed towards further savings in handling costs and operating efficiency.

While we have maintained the volume of our business as compared with last year, the profits have suffered due to extraordinary expenses arising from increased prices of our most important items of raw materials, which are subject to processing taxes, and a general increase in almost all the materials and package supplies entering into our product. The manufacturing costs have also been forced up by increased amounts paid to labor. Price advances to entirely offset these increased costs have been impractical in the face of low buying power existing in the country generally.

At the present time the Company operates
biscuit manufacturing plants in the following
thirty-six cities, located in twenty-three states.

CALIFORNIA
LOS ANGELES
OAKLAND
SAN FRANCISCO

COLORADO
DENVER

GEORGIA
ATLANTA

ILLINOIS
CHICAGO

INDIANA
INDIANAPOLIS

IOWA
DES MOINES

MAINE
PORTLAND

MARYLAND
BALTIMORE

MASSACHUSETTS
CAMBRIDGE

MICHIGAN
DETROIT
HOLLAND

MINNESOTA
MINNEAPOLIS

MISSOURI
KANSAS CITY
ST. JOSEPH
ST. LOUIS

NEBRASKA
OMAHA

NEW YORK
BUFFALO
NEW YORK
NIAGARA FALLS

OHIO
CINCINNATI
CLEVELAND
DAYTON
MANSFIELD

OKLAHOMA
OKLAHOMA CITY

OREGON
PORTLAND

PENNSYLVANIA
EAST LIBERTY
PHILADELPHIA
YORK

TENNESSEE
MEMPHIS

TEXAS
HOUSTON

UTAH
SALT LAKE CITY

WASHINGTON
SEATTLE
SPOKANE

WISCONSIN
MILWAUKEE

The products of these bakeries are distributed by two hundred sixty selling branches, located in every section of the country. From these selling branches, which are located in important population centers, we are able, with the use of automobiles, to make store door deliveries of more than ninety per cent of our total sales. This makes for fresh merchandise in the stores, a very necessary feature in the handling of a perishable product.

Our quality products and our system of direct-to-the-retailer distribution, together with the work of our salesmen in assisting the

retailers to move our products out of the stores,
are responsible for our volume of business. The
"Uneeda Bakers" name on biscuit and crackers
is accepted by retailers and housewives as a
guaranty of quality and freshness.

ROY E. TOMLINSON,
President

DIRECTORS

FREDERICK BEERS

JOHN N. CONYNGHAM

ROBERT A. FAIRBAIRN

EDWARD F. LOW

EDWARD S. MOORE

JACKSON E. REYNOLDS

WYNANT D. VANDERPOOL

ALBERT G. BIXLER

FRANKLIN D'OLIER

HOWARD M. HANNA

OGDEN L. MILLS

PAUL MOORE

ROY E. TOMLINSON, Chairman

FREDERICK S. WHEELER

JOHN G. ZELLER

EXECUTIVE COMMITTEE

FREDERICK BEERS

ROBERT A. FAIRBAIRN

PAUL MOORE

ALBERT G. BIXLER

EDWARD S. MOORE

ROY E. TOMLINSON

FREDERICK S. WHEELER

FRANK E. BUGBEE, Secretary to the Board

TRANSFER AGENT

GUARANTY TRUST COMPANY

NEW YORK

REGISTRAR

FIRST NATIONAL BANK

NEW YORK

OFFICERS

President

ROY E. TOMLINSON

Vice-Presidents

EDWARD Y. CROSSMORE

Executive

ALBERT G. BIXLER

Bread Department

FREDERICK BEERS

Production Department

FRANK K. MONTGOMERY

Sales Department

CHARLES P. MONTGOMERY

Purchasing Department

CLYDE S. STILWELL

Legal Department

Regional Vice-Presidents

WILLIAM T. BISHOP

Los Angeles

OTTO H. BARMETTLER

Omaha

ERNEST B. TOMLINSON

Chicago

CHARLES E. DUNLAP

Controller

GEORGE A. MITCHELL

Assistant Controller

CHARLES F. BLISS

Secretary

GEORGE H. COPPERS

Assistant Secretary

HENRY C. TAYLOR

Treasurer

FREDERICK F. BRODESSER

Assistant Treasurer

